

The Honorable John C. Coughenour

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

AGWEST FARM CREDIT, PCA,

Plaintiff,

V.

YAK-TAT KWAAN INCORPORATED, an
Alaska Native Village Corporation,

Defendant.

No. 2:23-cv-00496-JCC

**SECOND STIPULATED
MOTION AND [PROPOSED]
ORDER TO STAY**

**Note on Motion Calendar:
July 18, 2024**

RELIEF REQUESTED

Pursuant to LCR 7(d)(1) and LCR 10(g), Defendant Yak-Tat Kwaan Incorporated (“YTK”) and Plaintiff AgWest Farm Credit, PCA (“AgWest”) request that the Court continue to stay this matter pending the expiration of a forbearance period agreed upon between YTK and AgWest.

BACKGROUND

On March 31, 2023, AgWest initiated this action against YTK. AgWest claims that YTK is liable to it under a guaranty agreement relating to several loans AgWest made to YTK's subsidiary, Yak Timber, Inc. ("Yak Timber").

On May 11, 2023, Yak Timber filed a voluntary petition for bankruptcy under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Alaska.

In Re: Yak Timber Inc., No. 23-00080 (Bankr. D. Alaska) (the “**Alaska Bankruptcy Proceeding**”). In connection with the Alaska Bankruptcy Proceeding, AgWest, Yak Timber, and YTK entered an Agreement and Term Sheet (the “**Agreement**”) under which a motion filed by AgWest in the Alaska Bankruptcy Proceeding was resolved. By order dated October 6, 2023, the District of Alaska Bankruptcy Court approved the Agreement. In connection with the Agreement, AgWest and YTK agreed that this action, including all discovery, should be stayed pending a mediation that, at the time, was anticipated to occur in January 2024. AgWest and YTK sought the Court’s approval of such a stay in October of 2023, which this Court granted. *See* Stipulated Order to Stay (Dkt. No. 17).

In January of 2024, AgWest and YTK began negotiating a forbearance agreement (the “**Forbearance Agreement**”) that involved, among other things, AgWest’s sale of certain property owned by YTK, the proceeds of which would reduce YTK’s alleged liability in this action. Shortly thereafter, consistent with the Agreement, a Chapter 11 Plan of Reorganization was confirmed by the bankruptcy court in the Alaska Bankruptcy Proceeding on April 7, 2024 (“Plan”). Alaska Bankruptcy Proceeding Dkt. No. 315. AgWest and YTK executed the Forbearance Agreement in May of 2024. The parties have been proceeding under the Plan since that time.

Pursuant to the Forbearance Agreement, AgWest and YTK stipulate that this matter should be stayed until 45 days after AgWest's sale of assets described therein and provision of a true and accurate accounting of all sales revenues and certain costs and expenses (the **"Forbearance Period"**). By this stipulation and proposed order, AgWest and YTK seek the Court's approval of that stay.

STIPULATION

For the foregoing reasons, AgWest and YTK now stipulate and agree, and request that the Court order, as follows:

1 1. This matter shall be STAYED until 45 days after AgWest completes the sale
2 of certain YTK property and provides a true and accurate accounting of all sales revenues
3 and certain costs and expenses, as more fully described in the Forbearance Agreement;

4 2. All pending case deadlines remain STRICKEN;

5 3. Should the Forbearance Period extend beyond six months from the date of this
6 Order, AgWest and YTK shall submit a status report and stipulation and proposed order
7 extending the stay;

8 4. Should AgWest and YTK not resolve this dispute prior to the end of the
9 Forbearance Period, AgWest and YTK shall submit an updated joint status report with a
10 revised case schedule within 20 days of the expiration of the Forbearance Period;

11 5. The stay shall toll any outstanding discovery, such that YTK's responses to
12 currently pending discovery shall be due within thirty (30) days of the expiration of the
13 Forbearance Period.

14 DATED: July 18, 2024.

15 **CAIRNCROSS & HEMPELMANN, P.S. ARETE LAW GROUP PLLC**

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Kwaan, Inc.*



[PROPOSED] ORDER

IT IS SO ORDERED.

DATED: July 19, 2024

Joh C. Cogburn

Hon. John C. Coughenour
United States District Judge

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CERTIFICATE OF SERVICE

I hereby certify that on this date I caused true and correct copies of the foregoing document to be served upon the following, at the addresses stated below, via the method of service indicated.

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Dated this 18th day of July, 2024, in Seattle, Washington.

/s/ Janet Fischer
Janet Fischer
Paralegal